

PROPERTY ASSESSMENT APPEAL BOARD
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

PAAB Docket No. 2019-063-00017R

Parcel No. 12551-011-00

Amanda Terry,

Appellant,

vs.

Marion County Board of Review,

Appellee.

Introduction

This appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on November 7, 2019. Amanda Terry is self-represented. Assistant County Attorney Ross Gibson represents the Board of Review, but it did not participate in the hearing.

Amanda and Markus Terry own a residential property located at 1255 Iowa Street, Pella. The property's January 1, 2019, assessment was set at \$358,870, allocated as \$28,000 in land value and \$330,870 in dwelling value. (Ex. A).

Amanda Terry petitioned the Board of Review contending the assessment was not equitable compared to the assessments of other like property and that there is an error in the assessment. Her error claim, however, indicates she believed the property was assessed for more than the value authorized by law, noting the purchase price of the property. Iowa Code § 441.37(1)(a)(1 & 2) (2019). The Board of Review denied the petition.

Terry then appealed to PAAB reasserting her claim that the property was not equitably assessed and stating, "We do no[t] think 1255 Iowa Street was assessed at fair market value after looking at comparables and current house listings in the

southwest side of Pella.” PAAB finds the appropriate claim on appeal is whether property is assessed for more than the value authorized by law. § 441.37(1)(a)(2).

General Principles of Assessment Law

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. PAAB is an agency and the provisions of the Administrative Procedure Act apply. § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB may consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code R. 701-126.2(2-4). New or additional evidence may be introduced. *Id.* PAAB considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); see also *Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005).

Findings of Fact

The subject property is a two-story home built in 2006. It has 2519 square feet of gross living area and 800 square feet of living-quarter quality finish in the walk-out basement, a patio, and a two-car attached garage. It is listed in normal condition with a 3+05 good-quality grade. The site is 1.146 acres. (Ex. A).

The Terrys purchased the property in June 2016 for \$295,000. (Ex. A). Terry testified the market conditions are strong and values are increasing.

Terry submitted a comparative market analysis (CMA) prepared by Realtor Vicki Cowman in November 2019. (Ex. 1). The CMA included twelve sales, one pending listing, and one active listing; all 2019 data. The following table is a summary of Cowman's comparable properties.

Address	Site Size	SqFt (GLA)	Garage	Style	Sale Date	Sale Price
Subject	23,958	2519	2-car	2 Story	NA	NA
1-2520 Hemel Dr	12,197	1539	3-car	Ranch	9/2019	\$327,500 ¹
2-206 Utrecht Laan Ln	17,424	1838	3-car	Ranch	11/2019	\$355,500 ²
3-713 Kettland Kring St	15,674	2657	3-car	2 Story	5/2019	\$310,000
4-616 Bos Landen Dr #6a	261,360	2404	2-car	Townhome	8/2017	\$302,500
5-2315 Scholte Straat St	10,888	2782	2-car	2 Story	8/2019	\$293,000
6-129 Delft Dr	21,938	1675	3-car	Ranch	10/2019	\$320,000
7-952 204th Place	13,068	1938	3-car	2 Story	10/2019	\$317,000
8-1215 Shadow Lane	20,909	2910	2-car detached	2 Story	7/2019	\$334,000
9-772 182nd Avenue	11,326	2623	3-car	Ranch	6/2019	\$320,000
10-1012 Big Rock Park Rd	15,246	2519	2-car	1.5 Story	9/2019	\$310,000
11-1021 Edgewater Dr	NA	1952	3-car	1.5 Story	4/2019	\$325,000
12-946 203rd Place	27,007	1859	3-car	2 Story	8/2019	\$330,000
13-2610 Hemel Dr	29,621	2029	3 car	Ranch	8/2019	\$327,500
14-1009 198th Place	87,231	2716	2-car; 2-car detached	Ranch	7/2019	\$320,000

Cowman's comparables include one-story, one-and-one-half story, two-story, and townhome properties. Comparable 14 was built in 1971 and Comparable 6 was built in 2019, but the other comparables were built from 1994 to 2006, similar to the subject. A map in Cowman's report shows the properties are, for the most part, located close to the subject. (Ex. 1).

Cowman did not adjust the comparables for differences between them and the subject property. Nor did she report a final opinion of value for the property on her report. Nevertheless, the subject property's current assessment exceeds all of the sale and list prices.

Due to design, style, and age differences we do not find Comparables 1, 2, 4, 6, 9, 13, or 14 reasonably comparable to the subject property. The remaining comparables, which we have highlighted in the table, have an unadjusted sale price range between \$293,000 and \$334,000,

¹ Asking price.

² Pending asking price.

Terry testified Cowman told her the subject should be listed between \$335,000 and \$345,000 and would be expected to sell between \$320,000 and \$330,000. Terry also testified Cowman reported “there is no way her property would be worth \$350,000 or more with only a two car garage.” We note the comparables with two-car attached garages set the lower end of the range of sale prices, which supports Terry’s testimony.

Based on Cowman’s report, Terry asserts her property should be assessed for \$330,000.

Other than the required exhibits, the Board of Review did not submit any other evidence.

Analysis & Conclusions of Law

Terry asserts the subject property is assessed for more than the value authorized by law. § 441.37(1)(a)(2).

In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2), the taxpayer must show: 1) the assessment is excessive and 2) the subject property’s correct value. *Soifer v. Floyd Cnty. Bd. of Review*, 759 N.W.2d 775, 780 (Iowa 2009) (citation omitted). If PAAB determines Terry has established the grounds for her protest, then PAAB must make an independent determination of the property’s correct value based on all of the evidence. *Compiano v. Polk Cnty. Bd. of Review*, 771 N.W.2d 392, 397 (Iowa 2009) (citations omitted).

There is no presumption that the assessed value is correct, but the taxpayer has the burden of proof. §§ 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted). To shift the burden, the taxpayer must “offer[] competent evidence that the market value of the subject property is different than the market value determined by the assessor.” §441.21(3). To be competent evidence, it must “comply with the statutory scheme for property valuation for tax assessment purposes.” *Soifer*, 759 N.W.2d at 782.

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm's-length sale of the property. *Id.* The sales comparison method is the preferred method for valuing property under Iowa law. *Compiano*, 771 N.W.2d at 398; *Soifer v. Floyd Cnty. Bd. of Review*, 759 N.W.2d 775, 779 (Iowa 2009); *Heritage Cablevision v. Bd. of Review of Mason City*, 457 N.W. 2d 594, 597 (Iowa 1990).

The first step in this process is determining if comparable sales exist. *Soifer*, 759 N.W.2d at 783. "Whether other property is sufficiently similar and its sale sufficiently normal to be considered on the question of value is left to the sound discretion of the trial court." *Id.* at 783 (citing *Bartlett & Co Grain*, 253 N.W.2d 86, 94 (Iowa 1977)). The requirement that evidence be competent "does not mean that it must be credible." *Id.* at 784 (citing *Johnson v. Iowa Dist. Ct*, 756 N.W.2d 845, 850 n.4 (Iowa 2008)).

Terry submitted the Cowman CMA concluding a list price between \$335,000 and \$345,000 and an expected sale price between \$320,000 and \$330,000 for the subject property. While only 2019 data was used in the CMA, we note testimony in the record reports growing and increasing market conditions. Therefore, we conclude the subject's value as of January 1, 2019, would have been equal or less than the conclusions found in the CMA.

PAAB rejects some of Cowman's comparable properties based on differences in size, age, and design. However, there were several properties that are similar to the subject property. Overall, we find the CMA credible and supports Terry's assertion that her property is over assessed. Thus, in this case, we find the burden has shifted to the Board of Review to uphold its valuation.

Other than required exhibits, the Board of Review did not offer testimony or any additional evidence to support the assessment or refute the credibility of the CMA. Therefore, we conclude our only remaining task is to determine the subject's correct value. *Compiano*, 771 N.W.2d at 397 (indicating that when the grounds of protest have been established, the next task is to determine the property's value or correct assessment).

Cowman reported a value range for the subject between \$320,000 and \$330,000. PAAB finds the most comparable properties Cowman offered sold between \$293,000 and \$334,000. PAAB believes the best evidence of value puts the subject property at the high end of this range.

Order

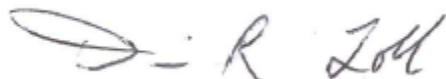
PAAB HEREBY MODIFIES the Marion County Board of Review's action.

Based on the foregoing, we order the property's January 1, 2019, assessed value be set at \$334,000, allocated as \$28,000 in land value and \$306,000 in improvement value.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2019).

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

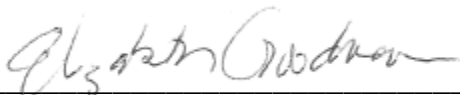
Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A.



Dennis Loll, Board Member



Karen Oberman, Board Member



Elizabeth Goodman, Board Member

Copies to:

Amanda Terry by eFile

Marion County Board of Review by eFile

Marion County Auditor
214 E. Main Street
Knoxville, IA 50138